

Division of Veterans Services

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY FUND CATEGORY					
General	1,651,000	1,449,700	1,720,900	1,821,800	1,863,800
Dedicated	14,366,800	13,845,100	14,953,600	15,115,900	15,311,700
Federal	5,487,300	4,386,700	16,843,600	18,611,700	18,744,500
Total:	21,505,100	19,681,500	33,518,100	35,549,400	35,920,000
Percent Change:		(8.5%)	70.3%	6.1%	7.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,379,900	13,804,200	16,337,500	17,247,600	17,765,400
Operating Expenditures	5,879,900	5,540,600	16,740,000	17,658,200	17,499,000
Capital Outlay	200,700	297,900	366,000	579,000	591,000
Trustee/Benefit	44,600	38,800	74,600	64,600	64,600
Total:	21,505,100	19,681,500	33,518,100	35,549,400	35,920,000
Full-Time Positions (FTP)	306.30	306.30	307.30	307.30	307.30

Division Description

The Division of Veteran's Services has the responsibility to provide care and extend financial assistance to disabled and destitute Idaho wartime veterans and their dependents. Services include: managing and operating the Veteran's Homes; maintaining a Veteran's Service Office to assist veterans and their families in obtaining federal benefits to which they are entitled; and extending emergency financial assistance to disabled or destitute veterans and their families.

The Idaho State Veterans Cemetery has the mission to inter eligible veterans and their dependents, to appropriately mark and record gravesites, and to maintain the cemetery as a place of honor for veterans as well as a place of remembrance and reflection for the citizens of Idaho.

The Division of Veteran's Services was transferred from the Department of Health and Welfare to the Department of Self-Governing Agencies in FY 2001.

Division of Veterans Services

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	307.30	1,720,900	33,518,100	307.30	1,720,900	33,518,100
1. Medicare Certification	0.00	0	836,400	0.00	0	836,400
2. Move Division Headquarters	0.00	0	123,800	0.00	0	123,800
FY 2008 Total Appropriation	307.30	1,720,900	34,478,300	307.30	1,720,900	34,478,300
Removal of One-Time Expenditures	0.00	0	(11,316,700)	0.00	0	(11,316,700)
Base Adjustments	0.00	(10,000)	(10,000)	0.00	(10,000)	(10,000)
FY 2009 Base	307.30	1,710,900	23,151,600	307.30	1,710,900	23,151,600
Benefit Costs	0.00	64,400	677,500	0.00	62,800	660,500
Inflationary Adjustments	0.00	13,500	313,600	0.00	5,200	169,900
Replacement Items	0.00	19,800	412,100	0.00	20,500	424,100
Statewide Cost Allocation	0.00	400	24,800	0.00	400	24,800
Annualize Division Headquarters Move	0.00	0	50,100	0.00	0	50,100
Change in Employee Compensation	0.00	12,800	133,700	0.00	64,000	668,500
Endowment Adjustments	0.00	0	15,500	0.00	0	0
FY 2009 Program Maintenance	307.30	1,821,800	24,778,900	307.30	1,863,800	25,149,500
1. Increase Nursing & Dietary Staff Pay	0.00	0	98,900	0.00	0	98,900
2. Capital Outlay	0.00	0	171,600	0.00	0	171,600
3. Veteran's Cemetery	0.00	0	10,500,000	0.00	0	10,500,000
FY 2009 Total	307.30	1,821,800	35,549,400	307.30	1,863,800	35,920,000
Change from Original Appropriation	0.00	100,900	2,031,300	0.00	142,900	2,401,900
% Change from Original Appropriation		5.9%	6.1%		8.3%	7.2%

Division of Veterans Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	307.30	1,720,900	14,953,600	16,843,600	33,518,100

1. Medicare Certification

The division requests an increase of \$1,734,200 in federal funds and a decrease of \$897,800 in dedicated funds (net increase of \$836,400) to admit patients under Medicare for therapy services, rather than Medicaid or private payments. The additional cost includes: training for RN Unit Managers to provide documentation for Medicare revenue; clinical training for Medicare documentation requirements; an increase in the Medical Director's fee; billing for therapy services (previously billed to Medicare through the therapy contractor); therapy equipment; and medical supplies and medication.

Agency Request	0.00	0	(897,800)	1,734,200	836,400
Governor's Recommendation	0.00	0	(897,800)	1,734,200	836,400

2. Move Division Headquarters

The division requests \$35,800 (ongoing) in federal funds for rent costs and \$88,000 (one-time) in federal funds for moving expenses to move the division headquarters from the Boise Veteran's home to a separate office location in Boise. One-time expenditures include a telephone system (\$8,000), furniture (\$18,000), computer equipment (\$18,500) and a vehicle (\$25,000) and \$18,500 in operating expenditures. This request provides funding for five months of rent; rental costs for the rest of the year are included as an annualization. The division states that the office move is needed to provide sufficient space for administrative staff and to expand and improve the space available for therapy services in the Boise home.

Agency Request	0.00	0	0	123,800	123,800
Governor's Recommendation	0.00	0	0	123,800	123,800

FY 2008 Total Appropriation					
Agency Request	307.30	1,720,900	14,055,800	18,701,600	34,478,300
Governor's Recommendation	307.30	1,720,900	14,055,800	18,701,600	34,478,300

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request	0.00	0	(86,800)	(11,229,900)	(11,316,700)
Governor's Recommendation	0.00	0	(86,800)	(11,229,900)	(11,316,700)

Base Adjustments

The division requests an ongoing reduction of General Fund appropriation in trustee/benefit payments due to lower than expected use of the Veteran Wheelchair Transportation Program.

Agency Request	0.00	(10,000)	0	0	(10,000)
Governor's Recommendation	0.00	(10,000)	0	0	(10,000)

FY 2009 Base					
Agency Request	307.30	1,710,900	13,969,000	7,471,700	23,151,600
Governor's Recommendation	307.30	1,710,900	13,969,000	7,471,700	23,151,600

Benefit Costs

Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.

Agency Request	0.00	64,400	433,100	180,000	677,500
----------------	------	--------	---------	---------	---------

The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.

Governor's Recommendation	0.00	62,800	422,200	175,500	660,500
---------------------------	------	--------	---------	---------	---------

Division of Veterans Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. The total general inflation adjustment is 2.20% (\$143,700) and includes a 10.67% increase (\$13,000) for employee travel costs. The total medical inflation adjustment is 0.99% (64,800). Contractual rent increases total \$105,100.					
Agency Request	0.00	13,500	215,300	84,800	313,600
<i>The Governor does not recommend funding for general inflation. The recommendation includes \$64,800 for medical inflation and \$105,100 for contractual increases.</i>					
Governor's Recommendation	0.00	5,200	116,400	48,300	169,900
Replacement Items					
Replacement capital outlay includes: one dump truck (\$30,000), one SUV (\$30,000), two cars (\$17,000 each/\$34,000 total), 50 computers (\$1,500 each/\$75,000 total), four multi-purpose printers (\$2,000 each/\$8,000 total), four servers and other computer equipment (\$28,500), and various appliances, furniture and equipment for the Veteran's Homes (\$201,900) for a total of \$407,400.					
Replacement operating expenditures include: network line cables and IT tools (\$1,000) and 20 mattresses (\$185 each/\$3,700 total) for a total of \$4,700.					
Agency Request	0.00	19,800	244,100	148,200	412,100
<i>The Governor's recommendation includes an additional \$12,000 for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles.</i>					
Governor's Recommendation	0.00	20,500	251,200	152,400	424,100
Statewide Cost Allocation					
Includes adjustments for services provided by state agencies as follows: \$6,300 decrease in Attorney General fees, \$17,600 increase in risk management costs, \$14,500 increase in State Controller fees, and a \$1,000 decrease in State Treasurer fees, for a total increase of \$24,800.					
Agency Request	0.00	400	17,300	7,100	24,800
Governor's Recommendation	0.00	400	17,300	7,100	24,800
Annualize Division Headquarters Move					
Provides additional spending authority for the division headquarters move, needed to cover a full year of rental costs.					
Agency Request	0.00	0	0	50,100	50,100
Governor's Recommendation	0.00	0	0	50,100	50,100
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	12,800	78,500	42,400	133,700
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	64,000	392,500	212,000	668,500
Endowment Adjustments					
Agency Request	0.00	0	15,500	0	15,500
Governor's Recommendation	0.00	0	0	0	0
FY 2009 Program Maintenance					
Agency Request	307.30	1,821,800	14,972,800	7,984,300	24,778,900
Governor's Recommendation	307.30	1,863,800	15,168,600	8,117,100	25,149,500

1. Increase Nursing & Dietary Staff Pay

The division requests \$98,900 (ongoing) to increase pay for Food Service Supervisors, Registered Nurses, and Licensed Practical Nurses. The division states that the pay increases are needed to recruit and retain qualified staff in these critical areas.

Agency Request	0.00	0	36,400	62,500	98,900
Governor's Recommendation	0.00	0	36,400	62,500	98,900

Division of Veterans Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Capital Outlay					
The division requests \$171,600 (one-time) for capital outlay, including computer equipment (\$57,000), office machines (\$24,000), household equipment (\$74,400), shop and plant equipment (\$3,500) and medical and lab equipment (\$12,700).					
Agency Request	0.00	0	106,700	64,900	171,600
Governor's Recommendation	0.00	0	106,700	64,900	171,600
3. Veteran's Cemetery					
The division requests \$10,500,000 in federal funds (one-time) for a veteran's cemetery in northern or eastern Idaho for the internment of veterans and veterans' spouses. Funding will be provided through the Veterans Affairs National Cemetery Grants program. The division anticipates that the cemetery will open in FY 2010, and will require the following additional resources once the cemetery is operational: 5 FTP and annual operating costs of \$274,300 (approximately \$72,000 dedicated funds; \$202,300 General Fund).					
Agency Request	0.00	0	0	10,500,000	10,500,000
Governor's Recommendation	0.00	0	0	10,500,000	10,500,000
FY 2009 Total					
Agency Request	307.30	1,821,800	15,115,900	18,611,700	35,549,400
Governor's Recommendation	307.30	1,863,800	15,311,700	18,744,500	35,920,000
Agency Request					
Change from Original App	0.00	100,900	162,300	1,768,100	2,031,300
% Change from Original App	0.0%	5.9%	1.1%	10.5%	6.1%
Governor's Recommendation					
Change from Original App	0.00	142,900	358,100	1,900,900	2,401,900
% Change from Original App	0.0%	8.3%	2.4%	11.3%	7.2%